

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALTON WATER AND)	
SEWER DISTRICT FOR RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	89-122
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On May 11, 1989, Alton Water and Sewer District ("Alton") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$21,151, an increase of 30.2 percent above adjusted test-year revenues.

In April 1989, Commission Staff conducted a field review of Alton's test-period financial records. Based upon this review, Commission Staff issued its report on August 3, 1989, recommending that Alton be authorized to increase its annual operating revenues by \$27,297.

By letter dated August 7, 1989, Alton was advised to file comments on the Staff Report or request a hearing no later than August 22, 1989, or the case would stand submitted to the Commission for decision. No comments on the Staff Report or requests for a hearing have been received.

The Commission, after considering the evidence of record and being sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable,

and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for service provided by Alton and will produce annual revenues from water sales of \$97,305. These rates will allow Alton sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Alton would produce revenue below that found reasonable herein.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Alton in its application are denied.

2. The rates contained in Appendix A are approved for service rendered by Alton on and after the date of this Order.

3. Within 30 days of the date of this Order, Alton shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of October, 1989.

ATTEST:

Executive Director

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-122 DATED 10/12/89

The following rates and charges are prescribed for water service to customers of Alton Water and Sewer District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rate Increments

First 2,000 gallons
Next 2,000 gallons
Next 2,000 gallons
Next 4,000 gallons
Over 10,000 gallons

Monthly Rate

\$9.70 Minimum Bill
3.90 per 1,000 gallons
3.15 per 1,000 gallons
2.35 per 1,000 gallons
1.75 per 1,000 gallons